

CREDIT UNION CENTRAL OF CANADA

SYSTEM BRIEF

DEEPENING RELATIONSHIPS:
Credit Union and
Aboriginal Peoples Case Studies

JANUARY 2012

“Based on Canadian Central’s discussions with those who work with Aboriginal communities, one of the most important elements of a successful partnership is building a relationship based on trust, respect and equality.”



Credit Union
Central of Canada

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INTRODUCTION

Aboriginal¹ communities and credit unions share an affinity of values that lead to successful partnerships. Aboriginal communities appreciate the credit union system's commitment to democracy and share a desire for the economic well-being of their members. Inspired by their co-operative philosophy, credit unions provide inclusive and much-needed financial services to the Aboriginal population in a way that respects and understands Aboriginal peoples' aspirations. Credit unions also recognize that their commitment to the well-being of Aboriginal communities has the potential to generate both new members and business for credit unions, many of which are located near rural and urban reserves or have developed strategies to provide services to an increasingly large urban Aboriginal population.

But, how exactly are credit unions developing relationships with Aboriginal peoples in their districts?

The first of our System Briefs in this three-part series focused on opportunities and challenges of working with Aboriginal peoples. The second System Brief examined the federal programs and initiatives available to assist credit unions in their efforts.

Before providing more details on our third System Brief, it is worth noting that since the publication of our last System Brief, the Supreme Court of Canada returned a significant ruling that will impact credit unions operating on First Nations reserves.² The Supreme Court ruled that interest income earned on investments held at an on-reserve financial institution could be treated as tax exempt. As a result, credit unions with a physical presence on reserves are well poised to provide status Indians³ (living on or off-reserve) with interest-bearing investment opportunities that provide tax-exempt interest income. This ruling provides another opportunity for credit unions to deepen their relationships with Aboriginal peoples.

This last System Brief in our series focuses on the real life examples of how credit unions are working to strengthen their relationships with Aboriginal peoples, communities, businesses and governments. Discussions with credit union representatives who work with Aboriginal communities reveal that one of the most important elements for a successful partnership is a relationship based on trust, respect and equality. Be it either tailoring programs, products and services to meet the financial service needs of Aboriginal peoples, or making use of existing programs, the seven case studies in this System Brief examine credit union relationships with First Nations peoples on and off-reserves, urban Aboriginal populations, Métis communities, Inuit communities, Aboriginal businesses and entrepreneurs, Band governments and Tribal Councils.

¹ This paper uses the term —Aboriginal to describe the descendants of the original peoples of North America, including First Nations, Métis and Inuit peoples. Reference to Aboriginal communities includes First Nations communities, Inuit communities and Métis settlements. Reference to Aboriginal communities also includes both urban and rural communities, unless otherwise indicated.

² *Dubé v. Canada*, 2011 SCC 39

³ "Status Indians" is language consistent with Canadian law.



SECTION 1: AFFINITY CREDIT UNION: The First Nations District

Recognizing the tremendous potential and importance of Saskatchewan's Aboriginal community, Affinity Credit Union (Affinity), has worked to develop a relationship with Aboriginal peoples by ensuring a place for its Aboriginal members on its board of directors, fostering cultural understandings through inclusive staffing, developing an on-reserve presence and creating products and services that meet the unique needs of its Aboriginal members.

Affinity's approach to including Aboriginal peoples on its board of directors allows the credit union to understand the unique financial service needs of Aboriginal peoples. In 2008, Affinity added a ninth governing district to its eight existing geographic districts (each district elects board members to sit on Affinity's board of directors). The ninth district, referred to as the First Nations District, elects two members to the board of directors, ensuring that First Nations peoples participate in the credit union's decision making process.⁴

During the establishment of the First Nations district, Affinity staff developed the kind of strong relationships and cultural understandings needed to provide high service standards to their First Nations members. To foster these relationships and cultural understandings, Affinity staff attended Band Council meetings and events such as the Assembly of First Nations Annual General Assembly. Staff also keeps abreast of current events in First Nations communities by staying in touch with First Nations and Métis leaders over casual meetings, and through phone conversations. All of these activities are ongoing to maintain relationships with First Nations members.

The First Nations district has also encouraged Affinity to locate in areas that serve the Aboriginal population. As a result, Affinity has located branches near or on-reserves and set up kiosks in community stores. In 2009, for example, Affinity opened the Last Oak Branch on Cowessess First Nations, a southern Saskatchewan reserve with a population of 3,725. The branch was created when the lease for another financial institution came up and Affinity was invited to make a presentation to the band council to establish an on-reserve presence by taking over the lease. As a result of its successful presentation, Affinity gained some 760 members in Cowessess and four other nearby communities. It is one of the first full-service credit union branches on-reserve anywhere in Canada and the first in Saskatchewan.

⁴ Founding Member First Nations include: Wahpeton Dakota Nation with 458 members, Cowessess First Nation with 3,500 members, Thunderchild First Nation with 3,000 members, Beardys Okemasis Nation with 2881 members, Little Pine First Nation with 1674 members, Lucky Man First Nation with 102 members, Mosquito First Nation with 1199 members and Poundmaker First Nation with 1409 members.

To provide unique financial services, like lending on-reserves, Affinity developed lending procedures based on First Nations culture. For example, it assesses new loan applications from Band governments or Band enterprises by using a credit committee made up of First Nations delegates, elders and senior Affinity managers. Guided by the credit union's commitment to help applicants understand each step of the process, the credit committee provides loan applicants with a transparent approval process. Any lending decisions to First Nations bands then rely on the application of a score card, rather than a traditional ability to take security. The score card rates a First Nation band on three criteria:

- good governance,
- financial stability and,
- administrative stability.

To supplement in-house financial services, Affinity also offers loans to First Nations communities through the Aboriginal Affairs and Northern Development Canada's Loan Loss Reserve Fund and the First Nations Market Housing Fund.⁵

⁵ To learn more about Aboriginal Affairs and Northern Development Canada's Loan Loss Reserve Program and the First Nations Market Housing Fund, see: *Deepening Relationships: Programs to Overcome Challenges for Aboriginal Peoples and the Credit Union System*, (<http://www.cucentral.com/SystemBrief2&JUL11>).

SECTION 2: ANISHINABEK NATION CREDIT UNION: Challenges and Lessons Learned in Establishing and Operating a Credit Union

While a growing number of credit unions are making efforts to work with Aboriginal communities, Aboriginal communities themselves have also expressed an interest in establishing credit unions that are owned and operated by Aboriginal peoples so as to reflect the community's drive for more autonomy, financial and otherwise. As Aboriginal communities' interest in credit unions continues to grow it is important to look at the lessons learned from the life of Anishinabek Nation Credit Union (ANCU), the first and only First Nations-owned credit union outside of Quebec, which was recently wound up for reasons discussed below.

In 2000, ANCU - located on the reserve in Garden River, Ontario (near Sault Ste. Marie) - opened its doors to serve the M'Chigeeng First Nation people. The creation of the credit union was the result of more than twenty years of hard work and determination to spur economic development in the Garden River reserve. ANCU was eventually owned and operated by the members of 43 First Nations in Ontario with border lines spanning from Thunder Bay in the West to Pembroke in the East and London in the South. One of the driving forces behind ANCU was Chief Hare of the M'Chigeeng First Nation. Chief Hare's vision for a viable economic system developed by a First Nations could only be successful if it was capable of creating and sustaining "the necessary wealth to effectively serve the needs of the member."

ANCU focused its services on encouraging members' savings and on improving their members' access to credit, including on-reserve housing lending. These services were either not offered by other financial institutions or were not offered in a way that respected the cultural uniqueness of ANCU's members.

Chief Hare also recognized that the success of a First Nations-owned credit union hinged on other core criteria. In particular, Chief Hare noted that the credit union, and its economic development strategy, must respect six key principles, all of which are closely bound up with Aboriginal culture and legal rights, namely:

1. *It must provide a full range of services to First Nations citizens.*
2. *It must not compromise on seizure protections enjoyed by First Nations citizens.*
3. *It must always safeguard the tax immunity of First Nations citizens.*
4. *It must have a good training program and a communication program.*
5. *It must remain profitable and operate at arm's length, yet be accountable to First Nations governments to earn the trust of First Nations citizens.*
6. *It must seek out projects that promise to be profitable.*

Due to diminishing profits and an inability to meet the minimum capital adequacy requirement of five per cent for a Class 1 Credit Union, (as outlined in section 84 of the Ontario 1994 *Credit Union and Caisse Populaire Act* and subsection 15(2) of the Regulation), provincial regulators required that the credit union close in 2011.

The launch of ANCU and its closure eleven years later is a cautionary tale of the challenges of starting a new credit union from scratch, especially one that aims to serve a geographically diverse population while overcoming some of the legal and other barriers discussed in the first in this series of System Briefs: *Deepening Relationships: Opportunities and Challenges for Aboriginal Peoples and the Credit Union System*.⁶ In particular, the creation of ANCU had to overcome the following challenges:

- Difficulty accessing feasibility funding and business-plan funding to get the credit union off the ground;
- Difficulty securing statements of intent for those looking to invest in the credit union;
- Underestimating the challenges of operating in a regulated environment. For First Nations communities interested in incorporating in Ontario, Deposit Insurance Corporation of Ontario (DICO) and the Financial Services Commission of Ontario (FSCO) can provide information on the legislative and regulatory requirements to establish a credit union. For example, FSCO provides a business plan that addresses requirements to incorporate and outlines which deficiencies, (capital deficiencies, for example) to avoid.⁷
- Finding consultants who understood the legal, treaty rights, and “sui generis” status of First Nations and their members;
- Securing confidence and loyalty to the project and having its relevance appreciated; and
- Selecting the head office location and future branch officers.

The challenges in establishing and running a small credit union in a remote location with a geographically disperse population are lessons to share for the credit union system and for Aboriginal communities considering the possibility of developing their own credit union on-reserve.⁸

⁶ To access *Deepening Relationships: Opportunities and Challenges for Aboriginal Peoples and the Credit Union System*, please see: <http://www.cucentral.com/SystemBrief27APR11>

⁷ For FSCO's Credit Union Business plan, please see: <http://www.fSCO.gov.on.ca/en/creditunions/Pages/business-plan-sample.aspx>

⁸ Source: Lou Hammond Ketilson and Ian MacPherson, *A Report on Aboriginal Cooperatives in Canada: Current Situation and Potential for Growth*, (Saskatoon: University of Saskatchewan, 2001).



SECTION 3: ASSINIBOINE CREDIT UNION: A Focus on Serving the Underserved

Assiniboine Credit Union (ACU) has a strong presence in Winnipeg's large and growing Aboriginal community, a presence that is rooted in the credit union's commitment to diversity and inclusion. This commitment runs throughout the organization and led to the establishment of branches in neighbourhoods with high numbers of Aboriginal households, the establishment of partnerships with community organizations, and the improvement of Aboriginal people's access to financial services for housing needs.

A key part of ACU's engagement with Aboriginal communities is reflected in its commitment to open branches with a significant Aboriginal representation. Its two northern branches in Thompson and Gillam, are located close to reserves and have a significant number of Aboriginal members and several of ACU's Winnipeg branches, including the West Broadway branch which opened in 2001, operate in neighbourhoods with a growing Aboriginal community. In early 2012, ACU plans to open a branch in the north end of Winnipeg where up 30.5 per cent of the households self-identify as First Nations, Métis or Inuit. This area is underserved by mainstream financial institutions and is populated by fringe banks like cheque cashing and payday loan outlets

ACU also seeks out community partnerships that assist it in meeting the needs of unbanked and underserved households, including Aboriginal peoples. For example, ACU partners with the North End Community Renewal Corporation (NECRC) to provide access to accounts and financial education through Assiniboine's Community Financial Services Centre (CFSC). Opened in 2006, the CFSC is a Winnipeg-based financial services centre that addresses inner-city poverty by offering low income people an alternative to pay-day loans, cash chequing and pawnshops. Community partners in the north end of Winnipeg refer their clients to the CFSC for these and other non-cash services, such as cheque depositing and direct deposit. Seven of the 19 referring community partners are Aboriginal organizations, including Ma Mawi Wi Itata Centre, Native Women's Transition Centre, Urban Circle Training Centre, Métis Child, Family and Community Services. At the end of 2010, ACU was serving nearly 600 members who joined the credit union through the CFSC.

ACU also works to build a diverse workforce that mirrors its community, including the Aboriginal community. At a governance level, the board strives to represent the diversity of the members and communities it serves, and actively looks for strong candidates including people of Aboriginal ancestry.

In 2010, ACU reported that 7.4 per cent of ACU employees identified themselves as individuals with Aboriginal ancestry.⁹ Recruitment programs involve career outreach and a number of community partnerships which provide training and employment opportunities at ACU for Aboriginal people facing barriers to employment. One such partnership is with Fire Spirit Aboriginal Youth Internship Program for youth in grades 10 to 12. The internship program allows Aboriginal high school students from Winnipeg and surrounding area to access work experience and employment opportunities that might otherwise not be available to them. Participants in the First Spirit Aboriginal Youth Internship Program spend three hours a week for a maximum of sixteen weeks gaining on-site work experience. When students successfully complete their work experience they are given an opportunity of summer employment.

Service and support of Aboriginal organizations are additional ways that ACU acts in partnership with the Aboriginal community. ACU's ties to Aboriginal communities extends to the financial services it provides to a large number of Aboriginal organizations, including small businesses, co-operatives, non-profit housing groups, education and social service agencies. Services include providing loans to organizations and entrepreneurs unable to meet conventional credit criteria. A particular focus is given to affordable housing projects, community assets such as cultural centres and daycares, and small business through its micro-credit to program. ACU supports many Aboriginal organizations through community grants, sponsorships, and the purchase of goods and services.

Through its participation in the Manitoba Tipi Mitawa Home Ownership Program, a pilot project of the Manitoba Real Estate Association and the Assembly of Manitoba Chiefs, ACU assists Urban Aboriginal peoples that encounter difficulties accessing housing. The program will make affordable home ownership available to 40 modest-income families within the urban Aboriginal community. In Winnipeg, 74 per cent of non-Aboriginal people own the house they live in, while only 45 per cent of Aboriginal people living off-reserve own their own home. In the first two years of the pilot, ACU approved mortgages for nine Aboriginal families.

⁹ ACU 2010 Annual Report. ACU's 2010 Annual Report notes that 10.0% of the population in Winnipeg self-identifies as Aboriginal.



SECTION 4: CONCENTRA FINANCIAL: Aboriginal Trust Services

Concentra Financial, through its wholly-owned trust subsidiary, Concentra Trust (Concentra), has developed considerable expertise in providing trust services to Aboriginal communities. Concentra Trust works with Aboriginal communities that have either reached claim settlements that involve cash payments or that have secured funds through resource development projects on Aboriginal territories, such as those negotiated, for example, between provincial Hydro companies and Aboriginal communities.

Generally, Concentra's trust agreements provide for the education and well-being of existing band members and future generations. As present and future members of the community are beneficiaries of the trust, First Nations trust documents outline strict parameters on the use of funds to protect against misappropriation.

As an acting trustee, Concentra develops a close relationship with the band but is not responsible for running the community's finances. Like all trust agreements, Concentra has a fiduciary responsibility where it is the trustee's role to protect assets and adhere to the terms of the trust document. In certain situations, Concentra will work with band members who were elected by the Chief and Council to act as co-trustees, referred to as Community trustees. In these situations, First Nations members acting as Community trustees help to promote financial self-sufficiency. Concentra educates the Community trustees so that they understand the responsibilities of overseeing trust agreements and will be able to fulfill their fiduciary obligations.

Concentra Trust's success in delivering products is founded on its ability to understand Aboriginal governance processes, build strong relationships with local leaders, and educate the community about the nature of the trust agreement, especially around what is and what is not permissible under the agreement. Through relationship building and education, Concentra Trust averts situations where, for example, disgruntled band members might seek band office with the objective of using trust monies in contravention with the provisions of the trust agreement. In extreme cases, these situations – if not guarded against – can lead to a change in trustees as the band always retains ultimate control over the trust and its monies. Generally, Concentra Trust has found Aboriginal communities appreciative of its services.



SECTION 5: INNOVATION CREDIT UNION: Working With Tribal Councils

For over fifteen years, Saskatchewan-based Innovation Credit Union (Innovation) has recognized the economic and demographic importance of Saskatchewan's large and growing Aboriginal population. Innovation works with more than 20 Aboriginal communities representing approximately 15,000 people. Innovation meets the needs of Aboriginal peoples by focusing on relationship banking, which means integrating Aboriginal members' interests, concerns, cultures and histories within their financial services. Innovation employs Aboriginal peoples and provides lending services both on and off-reserves. In particular, Innovation has partnered with various Saskatchewan Tribal Councils to finance projects such as on-reserve gas bars, outfitting equipment companies and an on-reserve casino.¹⁰ Innovation's strategy has proven so successful that Innovation now employs a full-time commercial manager dedicated to the servicing of the Aboriginal community.

Innovation addresses the legal restrictions against taking security on-reserve by partnering with Band councils and their partners, including Tribal Councils. For on-reserve lending to businesses such as gas bars or casinos for example, the band (that holds the land) and the owning company (Tribal Councils or any entrepreneur) agree to a long-term lease called a "Head Lease". Innovation will provide financing for the business and as security will take a mortgage on the Head Lease. In the event of a default, Innovation is able to realize on and market the remaining term of the Head Lease.

As an example of the above practice, Innovation partnered with the Battlefords Tribal Council, which works with four bands to help fund and build the Gold Eagle Casino in North Battleford. Innovation's decision to work with the Battlefords Tribal Council was rooted in the Tribal Council's business acumen. For example, the Tribal Council recognized that the casino project required experienced professionals who could build, manage and operate the proposed business and that these professionals might not necessarily be members of the band. Since that initial partnership, the Tribal Council has opened a hotel, golf course, trenching company, advertising company and an office tower in Saskatoon. The tribal council's total assets in those entities range from \$50 – 70 million and Innovation manages \$40 million in loans.

¹⁰ In order for gas bars to be entitled to the provincial tax rebate on gas and tobacco, they must be located on-reserve. Additionally, casinos must be located on-reserve in order to qualify for Community Development Revenue that flows to the Tribal Council. Most of these on-reserve projects are located on urban properties purchased by local bands – and declared part of the reserve – with monies received from the federal government.



SECTION 6: ME-DIAN CREDIT UNION: Canada's First Aboriginal Credit Union

In 1978, the Manitoba Métis Federation helped its members open the Métis Credit Union, Canada's first Aboriginal credit union. Since its founding, the Métis Credit Union changed its name to Me-Dian Credit Union (Me-Dian) to reflect the inclusion of the broader Aboriginal community in its membership, and in so doing, has developed expertise in working around some of the challenges inherent in serving the financial needs of Aboriginal communities.

Generally, Me-Dian's service offerings focus on meeting the basic financial needs of its largely Aboriginal membership, including offering basic savings accounts and pay-as-you-go transaction fees. Me-Dian works with Concentra Financial to offer more complex financial products and services such as registered retirement savings plans (RRSPs).

While Me-Dian's Winnipeg branch primarily serves the city's large Aboriginal population, the credit union also provides services to more rural Aboriginal communities like in-person teller services on the Grand Rapid reserve.¹¹ To meet the borrowing needs of these on-reserve communities Me-Dian has developed agreements with band councils that allow the credit union to repossess items, such as cars, from reserve lands in the event of a loan default. Typically, these loans are small personal loans such as car loans or home improvement loans with duration of less than three years.

To address the challenge of serving more remote reserves, Me-Dian uses available technologies and transportation. For example, on loans of less than \$5,000 Me-Dian faxes loan documents to members for signing. Once the signed document is returned by fax, Me-Dian is able to fund the loan. The original signed documents are mailed or flown back to Me-Dian to be kept in their files. For larger loans, Me-Dian mails or flies the paperwork in and once the original signed documents are returned, the loan proceeds. Members do occasionally travel to the city to look after their borrowing needs, especially during the winter road season.

¹¹ In particular, Me-Dian has members in the following reserves: Island Lake/Garden Hill, St. Theresa Point, Red Sucker Lake and Grand Rapids.



SECTION 7: VANCITY CREDIT UNION: Sustainable Community Development

Operating within the traditional territory of the Coast Salish First Nations people, Vancity works in partnership with local Aboriginal peoples to create new and sustainable solutions that address the financial needs of their communities.

In 2011, Vancity developed a community investment strategy to support programs with especially high positive social or environmental impacts. Vancity's support for Aboriginal community development and independence reflects its belief that helping individual members build wealth also builds on the wealth of the community. In line with this belief, Vancity's work with Aboriginal peoples, businesses and governments both on and off-reserve land was identified as an important interest under its community investment strategy.

Vancity knows that the key to working with Aboriginal peoples is to build trusting relationships. To this end, Vancity looks to the retention and recruitment of Aboriginal employees as a component of its diversity strategy, and partners with Aboriginal human resource agencies in this process. Actively recruiting Aboriginal peoples enhances the cultural fabric of Vancity's workplace and creates better linkages and understandings between the credit union and the community. Some of the positions Vancity recruits for include: Financial Service Representatives, Member Service Centre Agents, Financial Service Officers, Credit Analysts, and Personal and Small Business Account Managers.

Vancity's community investment strategy shows up in more conventional financing as well. Financial products offered by Vancity not designed specifically for Aboriginal peoples, are being put to use by Aboriginal peoples and communities to start and grow businesses, purchase real estate, develop social enterprises and support not-for-profits working with or started by First Nations governments. One of these conventional financing programs, Vancity's Community Capital program, creates innovative loan options for social enterprises, such as the Tia-o-qui-aht First Nation Canoe-Creek Hydro project. Vancity recently provided a loan of \$5 million for the Tia-o-qui-aht First Nation Canoe-Creek Hydro project, which is expected to generate \$1.6 million in annual revenue and power 1700 local homes.¹² The profits from the sale of power to BC Hydro will be used by the Tia-o-qui-aht First Nation to build a salmon hatchery that will rebuild stocks in the area.

¹² <https://www.vancity.com/MyCommunity/Impact/Stories/Aboriginal/CanoeCreek/>

There are some conventional financing products that credit unions are unable to offer to people living on-reserve because of lending restrictions legislated in the *Indian Act*. To address these challenges, Vancity has made use of government programs to provide access to financial services on reserves. Vancity participates in the federal government's Loan Loss Reserve program which is intended to encourage commercial lending on-reserves. Vancity is also an approved lender with the First Nations Market Housing Fund allowing the credit unions to provide lending services for housing purposes directly to members of communities that are participating communities.¹³

The community investment strategy prompted Vancity to partner with First Nations and Métis governments and urban Aboriginal not-for-profit organizations to support their initiatives and sector development in areas such as education, housing, traditional foods, language and culture. Vancity's community investment strategy has also led to community partnerships with Aboriginal and government organizations already active in these communities. Examples of Vancity partnerships to deepen cross-cultural ties include:

- The development of the Aboriginal Financial Literacy Committee comprised of Vancity, the Public Guardian and Trustee of British Columbia, Aboriginal Affairs and Northern Development Canada, Aboriginal Financial Officers Association of British Columbia and the First Nations Technology Council. The Aboriginal Financial Literacy Committee is currently tasked with creating culturally sensitive financial literacy tools.
- Support for Aboriginal entrepreneurs through the province of British Columbia's [Aboriginal Business](#) and Entrepreneurship Skills training program (BEST). In particular, Vancity offers micro-credit loans to graduates of BEST and other self-employment programs.¹⁴
- A partnership with Aboriginal Tourism British Columbia (AtBC), an Aboriginal not-for-profit. Vancity supports AtBC's Trailblazers Program to train Aboriginal ambassadors in British Columbia's rich indigenous culture. Aboriginal ambassadors at Klahowya Village, an Aboriginal tourism business located in Stanley Park, were trained through the Trailblazers Program. Vancity's support for AtBC, and through them, Klahowya Village is working to broaden cross-cultural relations as visitors to Coast Salish territory have the opportunity to experience song, dance, art and cuisine indigenous to Coast Salish peoples.
- In an effort to further deepen cross-cultural relations, Vancity is the sponsor for an exhibit at the Vancouver Maritime Museum, *Chátwilh: The Craft and Culture of the Squamish Canoe*. This exhibit highlights the

¹³ See: *DEEPENING RELATIONSHIPS: Programs to Overcome Challenges for Aboriginal Peoples and the Credit Union System*. (<http://www.cucentral.com/SystemBrief28JUL11>)

¹⁴ <http://www.aboriginalbest.com/programs.html?id=61>

cultural significance of the Squamish canoe and traces the canoe from its beginnings in the temperate rainforest to the Salish Sea. The exhibit will run November 24, 2011 to May 31, 2012.



CONCLUSION: THE WAY FORWARD

In each of these seven case studies, credit unions have developed the kinds of relationships that help them bring in new Aboriginal members and maintain existing Aboriginal members already making use of credit union services. The desire to deepen those relationships, in turn, has encouraged credit unions to draw on federal government programs to support on-reserve lending, offer unique financial services, establish governance regimes that incorporate Aboriginal peoples, set up or support housing programs, operate on or close to Aboriginal communities, partner with Aboriginal organizations and build into their fabric strong commitments to inclusive staffing.

The relationships between credit unions and Aboriginal communities happen in big and small ways, from formal presentations to band councils to casual meetings over coffee at the local restaurant. In all cases, however, the relationship is built on an understanding, respect and consideration of unique cultures, traditions, current practices, government structures, community politics, and ultimately financial service needs. These are the foundations of trust and respect that Aboriginal members – like the rest of us – expect.

This System Brief series has assessed current opportunities, challenges and provided practical guidance for credit unions to strengthen ties with Aboriginal peoples. The research has also revealed, however, that significant segments of Aboriginal peoples remain under or unbanked. Going forward as a system, there are opportunities for credit unions to further deepen the relationship with the broad Aboriginal community by developing tailored financial literacy programs, working to provide basic financial services in the Northern Territories or partnering with local Aboriginal communities to set up new credit unions. Credit Union Central of Canada will continue to work with the system to explore these possibilities.



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